

# **EXHIBIT 5**

## City of SeaTac Council Study Session Minutes Synopsis

November 28, 2017  
5:00 PM

City Hall  
Council Chambers

**CALL TO ORDER:** The SeaTac City Council Study Session (CSS) was called to order by Mayor Michael Siefkes at 5:00 p.m.

**COUNCIL PRESENT:** Mayor Michael J. Siefkes, Deputy Mayor (DM) Pam Fernald, Councilmembers (CMs) Rick Forschler, Kathryn Campbell, Peter Kwon, Tony Anderson, and Erin Sitterley.

**STAFF PRESENT:** City Manager Joe Scorcio, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, Emergency Management Coordinator Wilfredo Lugo, CAD Technician Kim Tang, Accounting Technician Jennifer Berg, Executive Assistant Lesa Ellis, Finance & Systems Director Gwen Pilo, Treasury Operations Manager Ruth Black, Budget Analyst Alexis Briggs, Parks, Community Programs and Services Director Lawrence Ellis, Community & Economic Development (CED) Director Jeff Robinson, Planning Manager Steve Pilcher, Senior Planner Kate Kaehny, Public Works (PW) Director Will Appleton, Police Chief Lisa Mulligan.

**PUBLIC COMMENTS (related to the agenda items listed below):** Sandra Hunt, Madrona Elementary School teacher, spoke regarding Comprehensive Plan (CP) Amendment potential impacts to the school.

Earl Gipson reiterated his requests regarding the Port of Seattle (POS) Interlocal Agreement (ILA): (1) Joint Advisory Committee (JAC) meeting open to public and (2) Surface Water Management Fees not be discounted; and (3) public hearing (PH) on this topic.

Jim Todd commented on the ILA, requesting possible assurances for a buffer zone along the 28<sup>th</sup>/26<sup>th</sup> corridor.

Nancy Seguis and Maria Villagomez spoke regarding the Firs Mobile Home Park and requested help from the City.

Mary Broker, lives by Madrona Elementary, stated concerns with changes in the area stating everything is becoming commercial.

Katie Kaciemba-Harse, POS Local Government Relations, stated the POS Commission took the first of two votes tonight with a positive vote. She thanked the residents and stakeholders for their participation in the process.

Luciana Bosio and Barbara McMichael spoke against the CP rezone M-2.

**PRESENTATIONS - INFORMATION ONLY:**

**Introduction of new employees: Emergency Management Coordinator Wilfredo Lugo, CAD Technician Kim Tang, and Accounting Technician Jennifer Berg**

City Manager Scorcio introduced Mr. Lugo, Ms. Tang, and Ms. Berg.

**AGENDA BILLS:**

**Agenda Bill #4788; A Motion authorizing the City Manager to enter into a two-year agreement with Philips Publishing Group for publication of the SeaTac Magazine.**

**Summary:** Currently, the City issues the SeaTac Report newsletter quarterly and the Parks and Recreation (P&R) Activity Guide three times per year. Many local cities publish a magazine style report and staff has been researching the feasibility of changing to this format. Philips Publishing Group specializes in producing this style of product.

A magazine format has an updated look and is visually appealing compared to the current newsletter. A magazine will likely be kept longer and referenced more frequently, keeping residents and businesses informed. By combining the SeaTac Report and the P&R Activity Guide, with local advertising included, the City will save money on over time in production costs and postage. By combining both publications, the City will experience some immediate savings in postage.

**AGENDA BILLS (continued):**

**Agenda Bill #4788 (continued):** Additionally, under this proposed agreement, there is also potential to offset the publication costs with advertising secured by Philips Publishing Group. The proforma provided by Philips Publishing Group indicates a slightly higher cost of production; however, revenue sharing from advertising is structured to help to offset those costs. The number of ads is predicted to grow with each issue as Philips has experienced with other publications. A two-year contract will provide the needed time to build the advertising base, determine the viability, and measure the performance of the contract.

Philips Publishing Group has demonstrated they have a quality product and are capable of selling advertising in the local area. They have many local cities as customers, including the neighboring cities of Des Moines, Burien, and Normandy Park.

The SeaTac Report newsletter and P&R Activity Guide are budgeted expenditures in the General Fund.

Current cost for SeaTac Report and P&R Guide:

\$34,900 annual cost for design layout, printing, and bulk mail prep
\$15,400 annual postage (7 mailings at \$2,200 each)
\$50,300

Estimated cost for SeaTac Magazine combining news articles and recreation guide 4 times per year:

\$49,300 annual costs for layout, printing, and bulk mail prep
\$8,800 annual postage (4 mailings at \$2,200)
\$58,100*

\*This does not factor in advertising commission costs and ad sales revenue sharing. If commission costs and revenue sharing do not cover the difference savings will be found in other areas to do so.

On November 16, 2017, the Administration & Finance (A&F) Committee reviewed the proposal and recommended that this be referred to the full Council for approval.

Executive Assistant Ellis reviewed the agenda bill summary.

Council discussion ensued regarding the format and suggested the City work with the school district to include activities, as well as city events that currently have fliers.

**Council consensus:** Refer to the 12/12/17 RCM Consent Agenda

**The following two agendas bills (4726 and 4771) were presented together.**

**Agenda Bill #4726; An Ordinance amending portions of the City of SeaTac Comprehensive Plan (CP).**

**Summary:** The City of SeaTac procedures for amending the CP provide for consideration of proposed amendments every other year (in odd-numbered years) in two stages: (1) the “Preliminary Docket,” and (2) the “Final Docket.”

1. Preliminary Docket: All proposals submitted in accordance with the pre-established deadline or added by the City Council and/or staff.
2. Final Docket: All proposals are deemed appropriate by the City Council to go forward for detailed review, including environmental analysis under SEPA and a PH before the Planning Commission (PC).

The City Council established the Final Docket by Resolution on July 25, 2017 by removing two of the 15 proposals from further consideration and added one proposal, Map Amendment Proposal M-2A. The Final Docket requires that all proposed amendments be evaluated according to the following criteria.

**Final Docket Criteria for All Proposals:**

1. Changed Circumstance. Circumstances related to the proposal have changed or new information has become available which was not considered when the CP was last amended.

**AGENDA BILLS (continued):****Agenda Bill #4726 (continued):****Final Docket Criteria for All Proposals (continued):**

2. CP Consistency. The proposal is consistent with all elements of the CP and other applicable City policies and agreements.
3. Population/Employment Targets. The proposal will not prevent the City's adopted population and employment targets from being achieved.
4. Concurrency. The proposal will be able to satisfy concurrency requirements for public facilities including transportation and utilities, and does not adversely affect other adopted Level of Service standards.
5. No Adverse Impacts. The proposal will not result in development that adversely affects public health, safety and welfare and, as demonstrated from the SEPA environmental review, the proposal will not result in impacts to housing, transportation, capital facilities, utilities, parks or environmental features that cannot be mitigated.

**Final Docket Criteria for Map Amendment Proposals Only:**

6. Additional Criteria for CP Map Changes. In addition to the above criteria, map change proposals will be evaluated according to the following:
  - a. Change in Condition.
    - i. Conditions have changed since the property was given its present CP designation so that the current designation is no longer appropriate, or
    - ii. The map change will correct a CP designation that was inappropriate when established.
  - b. Anticipated Impacts. The proposal identifies anticipated impacts of the change, including the geographic area affected and the issues presented by the proposed change.
7. Compatibility with Adjacent Uses. The proposed amendment will be compatible with nearby uses.

The Staff Report lists each proposed amendment and an assessment of how each proposal does or does not satisfy the Final Docket criteria above and includes a staff recommendation.

There are instances where the recommendation of the PC differs from the Staff recommendation which will be discussed in further detail during the presentation to Council. The proposed Ordinance includes the PC recommendations.

The PC reviewed the proposed amendments during three work sessions and after conducting a PH on October 17, 2017, which was continued to November 11, 2017. The PC's recommendations are noted in the table below.

The Land Use and Parks (LUP) Committee also reviewed the proposed amendments at their meetings on September 28, October 26 and November 1, 2017. The LUP Committee's recommendations are also noted in the table below.

PROPOSAL	11/7/17 PC RECOMMENDATION	11/1/17 LUP RECOMMENDATION
<i>MAP AMENDMENT PROPOSALS INITIATED BY PUBLIC</i>		
M-1: Segale Properties Map Amendment & Rezone	Approve	Approve
M-2: Hillside Park Map Amendment & Rezone	Approve	Do not approve
<i>MAP AMENDMENT PROPOSALS INITIATED BY CITY</i>		
M-2A: Tombs Parcel Map Amendment & Rezone	Approve	Do Not Approve
M-3: Address Zoning & CP Map Consistency	Approve	Approve
M-4: Eliminate "Business Park" Zone & Land Use Designation	Approve	Approve
M-5: Correct/Update Land Use Designations of City-Owned & Adjacent Properties	Approve	Approve
M-6: Update CP's Informational Maps	Approve	Approve
<i>TEXT AMENDMENT PROPOSALS INITIATED BY CITY</i>		
T-1: Clarify Land Use Designation Descriptions & Criteria	Approve	Approve
T-2: Integrate Low Impact Development (LID) Policy Updates	Approve	Approve

**AGENDA BILLS (continued):****Agenda Bill #4726 (continued):**

PROPOSAL	11/7/17 PC RECOMMENDATION	11/1/17 LUP RECOMMENDATION
T-3: Withdrawn	N/A	N/A
T-4: Add Policy to Explore Locations Where Duplexes May be Appropriate	Approve deletion of Policy 3.4B Implementation strategy; Do not approve new Policy 3.4C or 3.4C implementation Strategy	Approve deletion of Policy 3.4B Implementation strategy; Do not approve new Policy 3.4C or 3.4C implementation Strategy
T-5: Update Policies on Regional Facility Design	Approve	Approve
T-6: Add Policy Establishing Review of City Center Plan	Approve	Approve
T-7: Capital Facilities Plan Update	Approve Capital Facilities Plan; Do not approve new Policy 5.2E	Approve Capital Facilities Plan; Do not approve new Policy 5.2E
T-8: Remove Business Park References from CP & Zoning Code	Approve	Approve

**Agenda Bill #4771; An Ordinance amending portions of Title 15 of the SeaTac Municipal Code (SMC), including the City's Official Zoning Map, related to the Zoning Code and the 2017 Comprehensive Plan (CP) Amendment Process.**

**Summary:** In response to various anticipated amendments to CP policies and the CP Map, related amendments to the Title 15 Zoning Code are required (RCW 35A.63.105). This includes amendments to the Official Zoning Map (rezones) that ensure consistency between the Zoning Map and the CP. The proposed amendments were evaluated according to the CP Amendment preliminary and final docket criteria, and underwent SEPA environmental review and a PH before the PC.

Additionally, extra steps were undertaken as part of the CP Amendment Process, including public notification activities to ensure that owners of the 48 parcels identified within Map Amendments M-3, M-4, and M-5, were notified of the City-initiated proposals to change the land use designation and/or zone of their parcels. This included the mailing of notice letters in April, May and September, and an informational meeting with property owners on June 12, 2017.

The PC reviewed the proposed zoning amendments during three work sessions and after conducting a PH on October 17, 2017, which was continued to November 7, 2017. The PC's recommendations are noted in the table below.

The LUP Committee reviewed the proposed zoning amendments at their meetings on September 28, 2017, October 26, 2017, and November 1, 2017. The LUP Committee's recommendations are noted in the table section below.

*This Ordinance includes the PC's recommended amendments.*

PROPOSAL	11/7/17 PC RECOMMENDATION	11/1/17 LUP RECOMMENDATION
<i>MAP AMENDMENT PROPOSALS INITIATED BY PUBLIC</i>		
M-1: Segale Properties Map Amendment & Rezone	Approve	Approve
M-2: Hillside Park Map Amendment & Rezone	Approve	Do not approve
<i>MAP AMENDMENT PROPOSALS INITIATED BY CITY</i>		
M-2A: Tombs Parcel Map Amendment & Rezone	Approve	Do Not Approve
M-3: Address Zoning & CP Map Consistency	Approve all except zoning changes for #3, #4 and #6	Approve all except zoning changes for #3, #4 and #6

**AGENDA BILLS (continued):****Agenda Bill #4771 (continued):**

PROPOSAL	11/7/17 PC RECOMMENDATION	11/1/17 LUP RECOMMENDATION
M-4: Eliminate “Business Park” Zone & Land Use Designation	Approve	Approve
M-5: Correct/Update Land Use Designations of City-Owned & Adjacent Properties	Approve	Approve
<i>TEXT AMENDMENT PROPOSALS INITIATED BY CITY</i>		
T-8: Remove Business Park References from CP & Zoning Code	Approve	Approve

Planning Manager Pilcher and Senior Planner Kaehny reviewed the agenda bill summaries.

Ms. Kaehny reviewed Map and text amendments. Council discussion ensued regarding each amendment and the PC, LUP, and staff recommendations. In depth discussion ensued regarding M-2 and M-2A, including reasons for recommendations, grade of property, and potential liability.

**Council consensus:** Refer Agenda Bills #4726 and 4771 to Special LUP meeting (date to be determined) and then 12/12/17 RCM Action Item

**Agenda Bill #4642; A Resolution authorizing the City Manager to execute an Interlocal Agreement (ILA) between the City of SeaTac and the Port of Seattle (POS).**

*Note: On November 21, 2017 the JAC met to review input received and to make final recommendations on the proposed ILA.*

**Summary:** The City and the Port began negotiating this ILA in June, 2016 under the overall guidance of the JAC. Individuals from the City and Port staff were assigned to work on the following chapters: Master Document, including the Preamble and General Provisions, Land Use and Development Standards, Transportation, Permitting and Inspections, Environmental Regulations, and Public Safety and General Services. Most of these work groups met on a weekly basis, or more often, if necessary. Work groups for the City and the Port also met collectively on numerous occasions.

**JAC:** The JAC is comprised of three elected officials from the City and two elected officials from the Port. The JAC members are Mayor Michael Siefkes (City), Deputy Mayor Pam Fernald (City), Councilmember Peter Kwon (City), Commissioner John Creighton (Port), and Commissioner Courtney Gregoire (Port).

Between June 2016 and November 2017, the JAC met on multiple occasions to review and give input on specific issues contained in the draft ILA as it progressed. The JAC has fully reviewed the ILA, recommended the proposed Agreement, and forwarded it to the full Council and Commission for action.

**Third Party Review**

The City engaged two firms to provide independent third party review: Steve Taber, an attorney with Leech, Tishman, Fuscaldo, and Lampl reviewed the ILA with respect to the FAA's authority, aviation statutes and regulations, and FAA policy; Don Cohen and Margaret Archer, attorneys with Gordon Thomas Honeywell, reviewed the ILA for general municipal (Port and City) authorities.

**Public Process:**

On November 9, 2017, a media release along with the draft ILA went out to the public.

On November 14, 2017, brief presentations on the ILA were made at the City CSS and at the Port Commission meetings.

**AGENDA BILLS (continued):****Agenda Bill #4642 (continued):****Public Process (continued):**

On November 16, 2017, an open house hosted by both the City and the Port was held at the SeaTac Community Center to provide another opportunity for the public to understand the proposed Agreement and to ask any questions. Public comments and questions received by the Port and the City have been jointly responded to and included in the FAQ page as appropriate.

On November 20, 2017 the Airport Advisory Committee reviewed the proposed ILA Agreement.

On November 28, the ILA is being presented in detail to the full City Council at the CSS and at the Port Commission meeting.

**Agreement:**

The following highlights some of the main points in the proposed Agreement:

**Chapter 1. Preamble:** Introductory statements outlining background information and references to various legal authorities applicable to both Parties.

**Chapter 2. Agreement/General Provisions:**

**Term:** Binding agreement for a term of 10 years. In the 5th year, staff for each party shall make a recommendation to the JAC to complete the term without renegotiating or to reopen negotiations immediately. The JAC will then make a recommendation to the Council and Commission, respectively. Either party may give notice of their intent to withdraw and terminate the Agreement with two years' notice.

**Amendment Process:** A minor amendment may be accomplished by a Letter of Agreement between the Airport Managing Director and the City Manager and forwarded to the JAC. All major amendments will be reviewed and recommended by JAC and forwarded to the City Council and Port Commission for formal action.

**Dispute Resolution:** When a dispute arises, staff for each party shall first endeavor to resolve the dispute. If staff is unable to resolve the dispute, then the Airport Managing Director and the City Manager shall attempt to resolve the dispute. If the dispute is still unresolved then the parties may pursue their legal remedies or agree to pursue alternative dispute resolution options.

**JAC:** Identifies how the JAC shall be comprised, how often they will meet, and the scope of their duties, which specifically includes their primary responsibility to monitor the ILA throughout the duration of the Agreement.

**Shared Legislative Strategies:** Each party shall share proposed legislative strategies in advance of state and federal legislative sessions in order to consider opportunities for mutual support.

**Chapter 3. Land Use and Development Regulations:**

Provides a new map referred to as the Airport Activity Area (AAA). This defines Port property that is primarily used for airport operations and also provides clear guidance on when and where the new development standards are applied or when City development standards apply.

A review of this Chapter occurs not less than every two years. If the Port purchases additional property within the City, the Port shall follow the City's standard process to amend the CP and Rezone.

New development standards for properties located outside of the AAA pertaining to setbacks, edges, (airport / non-airport), height, parking, and signage.

A departure process is established for addressing conditions when the development standards cannot be followed due to site constraints, and Addresses aviation hazards and hazardous wildlife attractants.

**AGENDA BILLS (continued):**

**Agenda Bill #4642 (continued):**

Chapter 4. Transportation:

Transportation Impact Fees (TIF): The Port shall pay TIF on development outside the AAA boundary and address project specific impacts within the AAA through the SEPA/NEPA process.

Concurrency: For all development projects inside the AAA, Port shall use the SEPA/NEPA process to address transportation concurrency. All other development on Port-owned properties outside AAA shall be subject to transportation concurrency requirement of State law and SMC.

Transportation Planning: The Port and the City shall coordinate their transportation planning efforts including maintenance and joint ownership of a travel demand traffic model; collection and sharing of data and relevant information to transportation.

Transportation Projects: The Port and the City shall work cooperatively to pursue funding and/or advocate for transportation and capital projects of joint interest and/or mutual benefit.

Roadway Standards, Local Public Access: Addresses coordination and integration; Port shall look for opportunities to reduce the number of current access points to public Right-of-Way (ROW) while maintaining sufficient motorized and non-motorized local public access to and from the airport.

Operational Planning: Addresses coordination of construction traffic control plans, management of traffic for holiday travel and special events, and emergency management.

Chapter 5. Permitting and Inspections:

Formally establishes the Port as the City's agent for building permit authority for airport development and creates a system for sharing permit and inspection data.

Permit Process: The Port shall be required to provide to the City permitting information of all development permitting conducted by the Port. The City shall oversee a Quality Assurance Program of the Port permitting to ensure consistency of building code application across the jurisdiction.

Fees for Service: The Port shall make payments to the City on an annual basis in an amount not less than \$226,600. The annual payment shall be calculated on actual project valuations and number of permits, but never less than the minimum payment. A reassessment of the minimum payment shall occur 5 years after the date of execution of the ILA.

Business Licensing: The Port shall require, notify and verify all businesses operating or providing services on Port property that a valid city business license is required as a condition of conducting business or providing services at the airport. The Port shall perform initial inspections of all licensed entities.

Fire Code Coordination: The City has agreed to allow the Port to actively participate in the application of the fire codes on Port owned property outside of the AAA. The City shall consider incorporating the Port Fire Codes into the SMC for application on Port-owned property.

Records Management: The Port will maintain City records related to the provisions of this chapter.

Chapter 6. Environmental Regulations:

State Environment Policy Act (SEPA) responsibility and processes. The Port shall serve as the lead agency inside the AAA boundary; the Port shall serve as the lead agency outside the AAA boundary for airport related uses. The City shall serve as the lead agency for non-airport related uses outside the AAA boundary. The Port shall include the City early in the SEPA process inside the AAA boundary; The City shall serve as the consulted agency on Port property outside the AAA boundary.

**AGENDA BILLS (continued):****Agenda Bill #4642 (continued):****Chapter 6. Environmental Regulations (continued):**

Port shall pay an annual Surface Water Management fee of \$1,274,952.87. Mutually agreed upon standards for dealing with landscaping, buffering, aviation hazards, noise impacts, air quality and critical areas.

**Chapter 7. Public Safety and General Services:**

**Public Safety Response Agreements:** Includes agreements regarding mutual aid and closer collaboration, Police and Fire emergency planning and operations, 911 Calls for Police Services.

**Permit parking:** The Port shall release to the City its interest in the remaining amount in the joint parking tax fund (\$3,756,870.00). The City's stated intent is to use these funds to support the initiation, implementation and ongoing operation of the Permit Parking Program and related transportation improvements.

**Community Relief:** The Port shall contribute \$1.4 million annually to the City's general fund for community relief with respect to public safety, including police, enforcement of traffic and parking regulations and general enforcement of City codes for impacts associated with airport operations or businesses directly serving airport passengers. In the event the City commences litigation against the Port without first utilizing the Dispute Resolution process, then the Port may suspend, but not forfeit, the Community Relief Payment until the issue has been resolved.

Over the life of the 10 year Agreement, the City shall receive not less than the following:

SWM fees:	\$12,749,528.70
Community Relief:	14,000,000.00
Fees for Service (Permitting and Quality Assurance):	2,266,000.00
<b>TOTAL:</b>	<b>\$29,015,528.70</b>

The Port shall also release to the City its interest in \$3,756,870.00 from the joint parking tax fund.

The JAC review and recommendation process has been addressed above.

City Manager Scorcio reviewed the agenda bill summary.

**Council consensus:** Continue presentation at the 11/28/17 RCM and Refer action to the 12/12/17 RCM Action Item

**RECESSED:** Mayor Siefkes recessed the meeting to an Executive Session to review the performance of a public employee at 6:43 p.m. for 15 minutes.

**EXECUTIVE SESSION: To review the performance of a public employee RCW 42.30.110(1)(g)**

**RECONVENED:** Mayor Siefkes reconvened the meeting at 7:03 p.m.

**ADJOURNED:** Mayor Siefkes adjourned the Council Study Session at 7:03 p.m.